NEVADA HMO INDUSTRY PROFILE

SECOND QUARTER REPORT

April 1, 2001 through June 30, 2001

Bureau of Health Planning and Statistics Nevada State Health Division Department of Human Resources

Kenny Guinn, Governor Michael J. Willden, Director Department of Human Resources Yvonne Sylva, Administrator Nevada State Health Division

NEVADA HMO INDUSTRY PROFILE SECOND QUARTER REPORT

April 1, 2001 through June 30, 2001

Compiled by Tina Perry, RN Health Resource Analyst

Bureau of Health Planning and Statistics Emil DeJan, Bureau Chief Nevada State Health Division Department of Human Resources State of Nevada

Please direct any comments or suggestions to: Bureau of Health Planning and Statistics Nevada State Health Division 505 E. King Street, Room 102 Carson City, NV 89701-4749

Office Phone: (775) 684-4218 Fax: (775) 684-4156

TABLE OF CONTENTS

Table of Con	tents1
Introduction.	2
Table I	Profile of Nevada Licensed HMOs3
Table II	HMO Commercial Enrollment6
Table III	HMO Rural Commercial Enrollment by County7
Table IV	HMO Commercial Enrollment Trends8
Table V	HMO Medicare Enrollment9
Table VI	HMO Rural Medicare Enrollment by County10
Table VII	HMO Enrollment Trends1
Table VIII	HMO Medicaid Enrollment12
Table IX	HMO Medicaid Enrollment Trends13
Table X	HMO Nevada Check-Up Enrollment12
Table XI	Total HMO Market Penetration by County15
Table XII	PPO Enrollment Trends by Health Plan16
Table XIII	PPO Enrollment by Geographic Area17
Table Notes	18

INTRODUCTION

The Nevada HMO Industry Profile is published quarterly and contains valuable information regarding Nevada's licensed health maintenance organizations (HMOs). This profile is useful to healthcare providers and others interested in managed care services available within the state.

Each quarterly report presents company specific organizational data, as well as, quarterly enrollment data arranged by county. Enrollment data are categorized by enrollee population and product (i.e. Commercial Plan, Medicare, Medicaid, Nevada Check Up). Market penetration information is also provided.

Second Quarter 2001 HMO Activity Highlights

- Dr. Barney was appointed to the position of Medical Director, NevadaCare on June 18,2001. Dr. Barney brings a wealth of experience from his personal practice of Internal Medicine and Nephrology, as well as prior experience with a successful hospitalist program.
- NevadaCare acquired the Membership of UnitedHealthcare's Nevada Health Maintenance Organization on July 1, 2001. NevadaCare becomes the state's second largest HMO with this transaction, adding approximately 15,000 members to it's HMO enrollment base increasing it's Nevada membership to 84,000 members.
- □ This second quarter report of 2001(as well as previous quarterly reports from 2000) can be accessed online at, as well as downloaded from, the following web address: http://health2k.state.nv.us/vs

Table I

PROFILE OF NEVADA LICENSED HMOS

Enrollment for Quarter Ending: June 30,2001

НМО	Contact	Service Area	Enrollment		
Aetna US Healthcare 4000 South Eastern Ave., Suite 150 Las Vegas, NV 89117 Model: Network Licensed: July, 1997 For-profit; Foreign HMO	Ruth Szczurko, RN, MBA Quality Accreditation Manager Phone: 702-650-8243 General Manager: Cliff Klima Medical Director: Dr. Richard Jones	Clark County, Reno/Sparks, and Pahrump in Nye County	Commercial: Medicare: Medicaid: NV Check-Up: Total: PPO Total:	47,359 - - - 47,359 -	
NCQA New Health Plan Accreditation 2/00. Health Plan of Nevada (Subsidiary of Sierra Health Services) P.O. Box 15645 Las Vegas, NV 89114-5645 Model: Group/Network Combination Licensed: April 1982 For-profit; Domestic HMO	Todd Lefkowitz Director of Operations, Managed Care Div. Phone: 702-242-7252 Kelly Simonson, Medicaid Director Phone: 702-242-7409 Medical Director: Dr. Sameer Abu-Samrah Federally Qualified: All service areas	Clark, Esmeralda, Lyon, Mineral, Nye, and Washoe, Counties	Commercial: Medicare: Medicaid: NV Check-Up: Total: PPO Total:	142,335 43,744 13,520 5,240 204,839 22,401	
NCQA full accreditation 8/00. HMO Nevada 6900 Westcliff Dr., Suite 600 Las Vegas, NV 89145 Licensed: December 1992 For-profit; Foreign HMO State Quality Exam: 8/2000, JCAHO Substantial Compliance	Medicare Risk Contract: All service areas Blair Christensen, Vice-President Phone: 702 228-2583 Medical Director: Dr. William Bannen Federally Qualified: Clark County	Carson City, Clark, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lincoln, Lyon, Nye Storey and Washoe Counties	Commercial: Medicare: Medicaid: NV Check-Up: Total: PPO Total:	1,917 0 0 - 1,917 153,412	

НМО	Contact	Service Area	Enrollment	
Hometown Health Plan	Troy Smith, Vice-President Insurance Srvcs.	Carson City, Churchill,	Commercial:	29,985
400 S. Wells Ave.	Phone (775) 982-3000	Douglas, Elko, Eureka,	Medicare:	6,384
Reno, NV 89502		Humboldt, Lander,	Medicaid:	-
Model: Network	Medical Director: Dr. Gabriel Bonnet	Lyon, Mineral, Pershing,	NV Check-Up:	-
		Storey and Washoe	Total:	36,369
Licensed: February 1988		Counties		
Non-profit; Domestic HMO	Medicare Risk Contract: Washoe County		PPO Total:	11,213
State Quality Exam: HCFA 7/98				
NevadaCare, Inc.	Curt Howell, Vice President of Program Development	Clark County, and	Commercial:	29,649
10600 Charleston Blvd.	Phone: 702-474-7241	Reno / Sparks in	Medicare:	-
Las Vegas, NV 89135		Washoe County	Medicaid:	28,013
	Medical Director: Dr. Tom Quam		NV Check-Up:	7,331
Model: Network			Total:	64,993
Licensed: September 1995				
For-profit; Domestic HMO			PPO Total:	-
State Quality Exam: 11/98, JCAHO				
PacifiCare of Nevada, Inc.	Dr. Bard Coats, President and Chief Med. Officer	Carson City, Clark,	Commercial:	36,956
700 Warm Springs Rd.	Phone: 702-269-7500	Douglas, Esmeralda,	Medicare:	32,818
Las Vegas, NV 89119		Lyon, Mineral, Nye,	Medicaid:	-
	Dr. John Rush, Medical Director	Storey, and Washoe	NV Check-Up:	-
Model: Network, and DSI Network		Counties	Total:	69,774
Licensed: September 1997	Federally Qualified: Clark County			
For-profit; Domestic HMO	Medicare risk contract: Clark County		PPO Total:	8
NCQA Full accreditation 2/01				
State Quality Exam: 2/00 HCFA				

НМО	Contact	Service Area	Enrollment	ţ
St. Mary's Health First	M. Donald Kowitz, Chief Operating Officer	Carson City, Storey and	Commercial:	28,396
1155 W. Fourth Street #121	Phone: 775- 770-6060	Washoe Counties.	Medicare:	-
Reno, NV 89503		Douglas County except	Medicaid:	-
	Medical Director: Dr. Dennis Shuman	Stateline and portions of	NV Check-Up:	-
Model: Staff/Network combination		Lyon County	Total:	28,396
Licensed: June 1993				
For-profit; Domestic HMO			PPO Total:	-
State Quality Exam: 10/98 NCQA				
Tower Health Nevada	Sebastian Ernandes, Director of Operations	Clark County	Commercial:	4,169
1701 W. Charleston Blvd. Suite 220	Phone: 702-873-6941		Medicare:	-
Las Vegas, NV 89102			Medicaid:	-
	David Blackman, Chief Executive Officer		NV Check-Up:	-
			Total:	4,169
Model: Network				
COA rec'd: March 2000			PPO Total:	-
State Quality Exam: Not scheduled				
United HealthCare of Nevada, Inc.	Emery Dameron, Chief Executive Officer	Clark County, and	Commercial:	3,937
1160 Town Center Dr, Suite 390	Phone: 702-240-1421	Pahrump in Nye County	Medicare:	-
Las Vegas, NV 89144			Medicaid:	7,723
	Medical Director: Dr. Kenneth Osgood		NV Check-Up:	-
			Total:	11,660
Model: Network				
Licensed: June 1997			PPO Total:	63,008
For-profit; Domestic HMO				
State Quality Exam: Not scheduled				

		<u>Market</u>
Nevada State Totals:	Enrollment	Penetration*
Commercial:	324,703	17.6%
Medicare:	82,946	38.5%
Medicaid:	49,256	39.3%
NV Check-Up	12,571	
Total Enrollment:	469,476	

DSI: Delivery Service Intermediary

^{*} Market Penetration calculations and enrollment figures are mutually exclusive categories, and should be interpreted as such.

Table II
HMO COMMERCIAL ENROLLMENT

by Geographic Area June 30,2001

	Clark	Washoe	Rural	Total
Health Plan	County	County	Counties	Commercial
Aetna US Healthcare	45,489	1,709	161	47,359
Health Plan of Nevada	132,730	6,891	2,714	142,335
HMO Nevada	1,159	691	67	1,917
Hometown Health Plan	539	26,366	3,080	29,985
NevadaCare, Inc.	29,478	171	-	29,649
PacifiCare of Nevada, Inc.	25,828	9,619	1,509	36,956
St. Mary's Health First	-	22,248	6,148	28,396
Tower Health Nevada	4,169	-	-	4,169
United HealthCare of Nevada	3,937	-	-	3,937
Totals	243,329	67,695	13,679	324,703
Market Penetration	19.1%	23.1%	4.9%	17.6%

Table III

HMO RURAL COMMERCIAL ENROLLMENT BY COUNTY

June 30,2001

		Health Plan	HMO	Hometown			St. Mary's	Tower		County
County	Aetna	Nevada	Nevada	Health	NevadaCare	PacifiCare	Health First	Health NV	United	Total
Carson City	-	77	14	2,190	-	889	5,261	-	-	8,431
Churchill	-	24	5	-	-	-	-	-	-	29
Douglas	-	33	11	442	-	620	384	-	-	1,490
Elko	-	14	0	28	-	-	-	-	-	42
Esmeralda	-	13	0	-	-	-	-	-	-	13
Eureka	-	0	0	-	-	-	-	-	-	0
Humboldt	-	1	0	40	-	-	-	-	-	41
Lander	-	4	0	-	-	-	-	-	-	4
Lincoln	-	50	0	-	-	-	-	-	-	50
Lyon	-	237	17	380	-	-	399	-	-	1,033
Mineral	-	12	0	-	-	-	-	-	-	12
Nye	161	2,236	18	-	-	-	-	-	-	2,415
Pershing	-	3	0		-	-	-	-	-	3
Storey	-	6	2	-	-	-	104	-	-	112
White Pine	-	4	0	-	-	-	-	-	-	4
Undefined	-	-	-	-	-	-	-	-	-	0
TOTAL	161	2,714	67	3,080	0	1,509	6,148	0	0	13,679

Table IV

HMO COMMERCIAL ENROLLMENT TRENDS

June 30,2001

Health Plan	Enrollment June 30,001	Enrollment June 30,2000	Difference	Percentage Change
Aetna US Healthcare	47,359	41,487	5,872	14.2%
Health Plan of Nevada	142,335	137,474	4,861	3.5%
HMO Nevada	1,917	5,634	-3,717	-66.0%
Hometown Health Plan	29,985	31,281	-1,296	-4.1%
NevadaCare, Inc.	29,649	20,659	8,990	43.5%
PacifiCare of Nevada, Inc.	36,956	32,936	4,020	12.2%
St. Mary's HealthFirst	28,396	21,075	7,321	34.7%
Tower Health Nevada	4,169	-	-	-
United HealthCare of Nevada	3,937	12,373	-8,436	-68.2%
Totals	324,703	302,919	21,784	7.2%

Table V

HMO MEDICARE ENROLLMENT
by Geographic Area

June 30,2001

Health Plan	Clark County	Washoe County	Rural Counties	Total Medicare
Aetna US Healthcare	1	-	-	-
Health Plan of Nevada	35,111	4,218	4,415	43,744
HMO Nevada	-	-	-	-
Hometown Health Plan	-	6,384	-	6,384
NevadaCare, Inc.	-	-	-	-
PacifiCare of Nevada, Inc.	32,818	-	-	32,818
St. Mary's Health First	-	-	-	-
Tower Health Nevada	-	-	-	-
United HealthCare of Nevada	-	-	-	-
Totals	67,929	10,602	4,415	82,946
Market Penetration	47.0%	28.7%	13.1%	38.5%

Table VI HMO RURAL MEDICARE ENROLLMENT BY COUNTY

June 30,2001

County	Aetna	Health Plan Nevada	HMO Nevada	Hometown Health	NevadaCare	PacifiCare	St. Mary's HealthFirst	Tower Health NV	United	County Total
Carson City	-	25	-	-	-	-	-	-	-	25
Churchill	_	2	_	-	-	-	-	-	-	2
Douglas	_	0	_	-	-	-	-	-	-	0
Elko	_	0	_	-	-	-	-	-	-	0
Esmeralda	_	23	_	-	-	-	-	-	-	23
Eureka	_	0	_	-	-	-	-	-	-	0
Humboldt	-	1	-	-	-	-		-	-	1
Lander	_	0	_	-	-	-	-	-	-	0
Lincoln	_	0	_	-	-	-	-	-	-	0
Lyon	_	927	_	-	-	-	-	-	-	927
Mineral	-	81	-	-	-	-	-	-	-	81
Nye	-	3,352	_	-	-	-	-	-	-	3,352
Pershing	-	1	_	-	-	-	-	-	-	1
Storey	_	1	-	-	-	-	-	-	-	1
White Pine	-	2	-	-	-	-	-	-	-	2
Undefined	_	-	_	-	-	-	-	-	-	0
TOTAL	0	4,415	0	0	0	0	0	0	0	4,415

Table VII

HMO MEDICARE ENROLLMENT TRENDS

June 30,2001

Health Plan	Enrollment June 30,2001	Enrollment June 30,2000	Difference	Percent Change
Aetna US Healthcare	-	-	-	-
Health Plan of Nevada	43,744	40,513	3,231	8.0%
HMO Nevada	-	-	-	-
Hometown Health Plan	6,384	6,386	-2	0.0%
NevadaCare, Inc.	-	-	-	-
PacifiCare of Nevada, Inc.	32,818	31,479	1,339	4.3%
St. Mary's Health First	-	-	-	-
Tower Health Nevada	-	-	-	-
United HealthCare of Nevada	-	-	-	-
Totals	82,946	78,378	4,568	5.8%

Table VIII

HMO MEDICAID ENROLLMENT

by Geographic Area

June 30,2001

Health Plan	Clark County	Washoe County	Rural Counties	Total Medicaid
Aetna US Healthcare	-	-	-	-
Health Plan of Nevada	13,516	4	-	13,520
HMO Nevada	-	-	-	-
Hometown Health Plan	-	-	-	-
NevadaCare, Inc.	25,889	2,124	-	28,013
PacifiCare of Nevada, Inc.	-	-	-	-
St. Mary's Health First	-	-	-	-
Tower Health Nevada	-	-	-	-
United HealthCare of Nevada	7,723	-	-	7,723
Totals	47,128	2,128	0	49,256
Market Penetration	52.9%	11.1%	0.0%	39.3%

^{*}No rural county Medicaid Eligible Data was available due to new NSWD reporting measures.

Table IX

HMO MEDICAID ENROLLMENT TRENDS

June 30,2001

Health Plan	Enrollment June 30,2001	Enrollment June 30,2000	Difference	Percent Change
Aetna US Healthcare	-	-	-	-
Health Plan of Nevada	13,520	15,290	-1,770	-11.6%
HMO Nevada	-	-	-	-
Hometown Health Plan	-	-	-	-
NevadaCare, Inc.	28,013	26,573	1,440	5.4%
PacifiCare of Nevada, Inc.	-	-	-	-
St. Mary's Health First	-	-	-	-
Tower Health Nevada	-	-	-	-
United HealthCare of Nevada	7,723	5,103	2,620	51.3%
Totals	49,256	46,966	2,290	4.9%

Table X

HMO NEVADA CHECK-UP ENROLLMENT
by Geographic Area
June 30,2001

Health Plan	Clark County	Washoe County	Rural Counties	Total Check-Up
Aetna US Healthcare	-	-	-	-
Health Plan of Nevada	5,240	-	-	5,240
HMO Nevada	-	-	-	-
Hometown Health Plan	-	-	-	-
NevadaCare, Inc.	4,114	3,217	-	7,331
PacifiCare of Nevada, Inc.	-	-	-	-
St. Mary's Health First	-	-	-	-
Tower Health Nevada	-	-	-	-
United HealthCare of Nevada	-	-	-	-
Totals	9,354	3,217	0	12,571

Table XI

TOTAL HMO MARKET PENETRATION

June 30,2001

County	Commercial Market	Medicare Market	Medicaid Market Penetration	
Clark	19.1%	47.0%	52.9%	
Washoe	23.1%	28.7%	11.1%	
Carson City	18.0%	0.0%	*	
Churchill	0.1%	0.0%	*	
Douglas	3.8%	0.0%	*	
Elko	0.1%	0.0%	*	
Esmeralda	1.0%	0.0%	*	
Eureka	0.0%	N/A	*	
Humboldt	0.2%	0.0%	*	
Lander	0.1%	N/A	*	
Lincoln	1.3%	0.0%	*	
Lyon	3.3%	0.0%	*	
Mineral	0.2%	0.0%	*	
Nye	7.6%	0.0%	*	
Pershing	0.0%	0.0%	*	
Storey	3.1%	0.0%	*	
White Pine	0.0%	0.0%	*	
Statewide TOTALS	17.6%	38.5%	39.3%	

Please refer to "TABLE NOTES" for important additional information. *No rural county medicaid eligible data available per NSWD, see Table VIII.

Table XII

PPO ENROLLMENT

by Geographic Area

June 30,2001

Health Plan	Clark County	Washoe County	Rural Counties	Total Enrollment
Aetna US Healthcare	-	-	-	-
Health Plan of NV/Sierra Hlth & Life	17,061	1,233	4,107	22,401
HMO Nevada*	153,412	-	-	153,412
Hometown Health Plan	656	6,371	4,186	11,213
NevadaCare, Inc.	-	-	-	-
PacifiCare of Nevada, Inc.	8			8
St. Mary's Health First	-	-	-	-
Tower Health Nevada	-	-	-	-
United HealthCare of Nevada	42,208	20,800		63,008
Totals	213,345	28,404	8,293	250,042

^{*}HMO NV did not specify a regional breakdown, only a total PPO value for the state "Clark County" was arbitrarily designated as the region for mathmatical totals to agree.

TABLE XIII

PPO ENROLLMENT TRENDS by HEALTH PLAN

June 30,2001

	Enrollment	Enrollment	5.00	Percent
Health Plan	June 30,2001	June 30,2000	Difference	Change
Aetna US Healthcare	-	-	-	-
Health Plan of Nevada	22,401	20,637	1,764	8.5%
HMO Nevada	153,412	97,969	55,443	56.6%
Hometown Health Plan	11,213	11,674	-461	-3.9%
NevadaCare, Inc.	-	-	-	-
PacifiCare of Nevada, Inc.	8	75	-67	-89.3%
St. Mary's Health First	-	-	-	-
Tower Health Nevada	-	-	-	-
United Health Care of Nevada	63,008	56,590	6,418	11.3%
Totals	250,042	186,945	63,097	33.8%

TABLE NOTES

General Notes on the Tables:

Distinctions between Zeros, Dashes, & DNR

To increase readability, the following data presentation conventions have been used:

1. Zero: no enrollees within a county for which a Certificate of

Authority (COA) has been issued to the HMO.

2. Dash (-): the HMO does not have a COA to operate in the county.

When used in "Total", "Difference", or "Percent Change" columns, this convention represents invalid mathematical calculations due to an HMO not having a COA in the county or counties, and therefore not having a valid total number of

enrollees for the calculation of interest.

(e.g., in Table III, no HMO has a COA to operate in Eureka county. Therefore the "County Total" column is represented with a dash (-) to indicate an invalid mathematical total.)

In Table I, convention indicates HMO does not provide

service to that population category.

3. DNR: did not report.

Enrollment Data Reporting and Sources

All enrollment data presented within the *Nevada HMO Industry Profile* are derived from quarterly enrollment reports submitted by each HMO. Geographical allocation of enrollment data is based upon the following guidelines:

- a. Commercial plan enrollment data are reported according to the location of the employer.
- b. Medicare, Medicaid, and Nevada Check Up enrollment data are allocated according to the residence of the enrollee.

Market Penetration Calculations and Data Sources

In general, market penetration is determined by dividing the number of enrollees by the potential enrollment population of the geographic area. The *HMO Industry Profile* uses the following conventions:

1. Commercial category: population (county or statewide) is

comprised of age group zero to 64.

2. *Medicare category*: population (count or statewide) is

comprised of age group 65 and greater.

3. *Medicaid category*: population is comprised of estimated

Medicaid eligible for Clark & Washoe

Counties and statewide.

The Nevada State Demographer, University of Nevada, Reno, provides data for the commercial and Medicare category 2000 population projections.

The Nevada State Welfare Division provides data for Medicaid eligible participants.

Market Penetration Calculations and Data Sources (continued):

The population estimates for medicaid eligibles were derived from monthly reports whose source is NSWD Report WL-00427. The statewide totals were compiled by NSWD from case-load reports for April, May, and June, 2001 and the total medicaid eligible statewide figure was an average of the totals for each month involved.

Preferred Provider Organization (PPO) Data

Important note: PPOs and HMOs are two distinctively different approaches to healthcare coverage. Because of the differing approaches, service delivery of the two health care plans may also be dissimilar. Additionally, an HMO and a PPO may both be part of the total healthcare product line from the same insurance company.

The PPO information presented within the Nevada HMO Industry Profile is not an exhaustive listing of all PPOs that are operating within Nevada. The data presented herein are solely to provide an

Preferred Provider Organization (PPO) Data (continued):

indication of other managed care activities with which the organization may be involved. The data are presented as reported by the HMO.

Specific Notes on the Tables:

Table VIII

Rural Column – represents the other 15 counties within the state. Currently, Medicaid rural enrollment is too low to justify development of a separate reporting table.

Market Penetration Statistics - only valid for statewide total. County totals were not available at time of printing due to new recording systems being used by the NSWD. The statewide total Medicaid eligible data were an average of Medicaid eligibles for April, May, and June, 2000.

Table XI

Important note: The underlying data for this table were derived from

Tables I-IX. Previous notes contained under "General Notes on the Tables" should be

considered in interpreting this data.

Rural Medicaid enrollment is too low to justify reporting the rural eligibility data necessary to develop market penetration information.

• Table XIII

Important note: HMO of Nevada did not report PPO enrollment by region, rather by statewide total. For the Table's totals to mathematically agree by row and column summation, Clark County was arbitrarily designated as the county to place total enrollment figures.